

Message Text

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PAGE 01 LA PAZ 07042 301838Z
ACTION XMB-04

INFO OCT-01 ARA-14 ISO-00 EB-08 COME-00 AID-05 CIAE-00
INR-10 NSAE-00 /042 W
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FM AMEMBASSY LA PAZ
TO SECSTATE WASHDC 2423

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E.O. 11652: N/A
TAGS: BEXP, BL
SUBJECT: EXIM BANK REQUEST FOR CENTRAL BANK GUARANTY TO SUPPORT
A TRANSACTION WITH COMIBOL

1. CIBO, A LOCAL COMPANY WELL AND FAVORABLY KNOWN TO THE
EMBASSY, HAS CONTACTED US TO REQUEST HELP IN DETERMINING
WHETHER EXIM WOULD DROP ITS REQUEST FOR A CENTRAL BANK GUARANTEE
IN CONNECTION WITH A SALE TO COMIBOL OF MACK DUMP TRUCKS
IN THE AMOUNT OF \$173,637. MACK HAS APPARENTLY REQUESTED
EITHER AN EXIM GUARANTEE OR
FCIA INSURANCE OF THIS TRANSACTION AND, ACCORDING TO CIBO,
COMIBOL HAS REFUSED AS A MATTER OF GENERAL POLICY TO SEEK A
CENTRAL BANK GUARANTEE. CIBO AND MACK THEREFORE STAND TO LOSE
THE CONTRACT UNLESS EXIM WITHDRAWS ITS DEMAND FOR CENTRAL
BANK ENDORSEMENT.

2. ACCORDING TO CIBO, HERMES (WEST GERMANY) OFFERS CREDIT
GUARANTEES TO BOLIVIA WITHOUT THE GUARANTEE OF THE BOLIVIAN
CENTRAL BNAK. IN A RECENT CASE, COMIBOL PURCHASED A LARGE
HOLE BORE DRILLING MACHINE VALUED AT DM 2 MILLION UNDER THE
FOLLOWING TERMS THANKS TO HERMES SUPPORT:
20 PERCENT DOWN PAYMENT
30 PERCENT PAID IN EIGHT SEMI-ANNUAL INSTALLMENTS
FIXED INTEREST RATE OF 8.5 PERCENT PER YEAR
NO CENTRAL BANK GUARANTEE.
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3. IT HAS BEEN OUR EXPERIENCE THAT NEITHER COMIBOL NOR YPFB,
THE TWO MAJOR BOLIVIAN STATE CORPORATIONS, HAS BEEN WILLING
TO OBTAIN CENTRAL BANK GUARANTEES IN THE CASE OF CREDITS
GUARANTEED BY FOREIGN OFFICIAL FINANCE INSTITUTIONS. WHILE
WE APPRECIATE THE NEED FOR CENTRAL BANK BACKING IN THE CASE
OF DIRECT LOANS OR SIZEABLE CONTRACTS WHICH EXIM BANK IS

EITHER GUARANTEEING OR INSURING THROUGH FCIA, WE WONDER WHETHER
THE RISK TO EXIM IN FOREGOING THIS REQUIREMENT IS NOT OUT-
WEIGHED BY THE BENEFIT GAINED THROUGH ADDITIONAL US EXPORTS
IN THE CASE OF SMALL TRANSACTIONS
SUCH AS THE SALE DESCRIBED IN PARA 1 ABOVE.

4. ACTION REQUESTED: PLEASE ADVISE WHETHER MACK IS SEEKING
EXIM SUPPORT FOT THIS SALE AND, IF SO, WHETHER THE REQUEST
FOR A CENTRAL BANK GUARANTEE CAN BE WAIVED.
BOEKER

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NNN

Message Attributes

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